

February 1998

AIR FORCE BOMBERS

Moving More B-1s to the Reserves Could Save Millions Without Reducing Mission Capability



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United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-275839

February 26, 1998

The Honorable William S. Cohen
Secretary of Defense

Dear Mr. Secretary:

Air Force Reserve and Air National Guard forces continue to receive key consideration in formulating both Department of Defense (DOD) and Air Force long-range force structure plans. As we reported during an earlier review of Air Force bombers,¹ the reserve component carries out many of the same missions as the active duty units, generally at lower cost. During our current work, we focused on the cost and operational implications of assigning more B-1 bombers to the reserve component. Specifically, we (1) assessed whether operational factors preclude greater reserve component participation in the B-1 mission and (2) developed options for increasing the number of B-1s assigned to reserve component units and analyzed their effect on operations and costs.

Background

The B-1, a long-range heavy bomber that began operations in 1986, was designed primarily to carry nuclear munitions. Effective October 1997, B-1 units were no longer assigned the nuclear mission.² The B-1 continues, however, to support Air Force conventional wartime missions, and planned modifications will provide the B-1 the future capability to deliver precision-guided munitions.

The Air Force is currently authorized 70 "mission-coded" B-1s, that is, aircraft that are fully funded in terms of operations and maintenance, load crews, and spare parts. Currently, 52 B-1s are operated by active duty units. The remaining 18 are assigned to the reserve component—10 to the Kansas Air National Guard and 8 to the Georgia Air National Guard.

The Air Force has announced plans to increase the number of fully funded B-1s to 84 over the next several years by funding aircraft currently held in reserve. It is expected that this fleet of 84 aircraft will be assigned to both active and reserve component units, as shown in table 1.

¹Air Force Bombers: Options to Retire or Restructure the Force Would Reduce Planned Spending (GAO/NSIAD-96-192, Sept. 30, 1996).

²Although the B-1 nuclear mission has been withdrawn, the U.S. has plans for reconstitution of B-1 nuclear capability should the need arise.

Table 1: Announced B-1 Force Structure

Air Force Base	Type unit	B-1s
Dyess, Tex.	Active	36
Ellsworth, S. Dak.	Active	24
McConnell, Kans.	Air National Guard	10
Mt. Home, Idaho	Active	6
Robins, Ga.	Air National Guard	8
Total		84

Source: U.S. Air Force.

Results in Brief

Air Force active and reserve components consider essentially the same operational factors in determining whether a mission is suitable for the reserve component. Factors Air Force officials consider include

- overseas presence,
- peacetime training,
- mission response times,
- personnel tempo, and
- personnel recruiting.

Our assessment of these factors showed that they do not preclude assigning more B-1s to the reserve component. B-1s are not based overseas, peacetime training can be scheduled around part-time reservists' civilian employment, reserve units could mobilize to meet mission response times, and personnel tempo rates for B-1 unit personnel do not exceed the Air Force's maximum desired standard. However, the lack of availability of recruitable personnel in some locations limits where reserve units can operate.

If the Air Force were to assign more B-1s to the reserve component than are currently planned, the cost to operate the B-1 fleet could be reduced—without adversely affecting day-to-day peacetime training or critical wartime missions or closing any bases. We developed six options for assigning more B-1s to the reserves. Based on Congressional Budget Office cost savings projections and our analysis of other one-time costs, we estimate that implementing these options could produce savings ranging from \$87.1 million to \$235.3 million during the last 5 years (1999-2003) of the current Future Years Defense Program.³

³The Future Years Defense Program is an authoritative record of current and projected force structure, costs, and personnel levels that has been approved by the Secretary of Defense.

Operational Factors Do Not Preclude Assigning More B-1s to the Reserves

In general, reserve component B-1 units are considered just as capable of carrying out operational missions as their active duty counterparts. Both the Kansas and Georgia B-1 reserve units train to mobilize and deploy fully mission-ready B-1s on short notice to support the conventional war plans of theater commanders in chief. Like their active duty counterparts, reserve component units are routinely subjected to standardized Air Force operational evaluations. In a recent Air Force operational readiness inspection, unit personnel and aircraft from the Kansas Air National Guard demonstrated their ability to satisfactorily perform their assigned wartime mission. The Georgia unit attained initial operational capability status in December 1997 and expects to conduct its first operational inspection in November 1998.

Our analysis of five operational factors the Air Force considers in assessing whether a mission is suitable for reserve component participation indicates that assigning more B-1s to the reserve component than the Air Force has announced would not adversely affect peacetime and wartime missions. The following summarizes the results of this analysis.

Overseas Presence

When aircraft are permanently based overseas, enough aircraft must be in the active component to ensure that an adequate number of stateside positions are available for personnel returning from overseas. However, since B-1s are based only in the United States, the assignment of more B-1s to the reserve component would not affect overseas presence and stateside rotations.

Peacetime Training

For a mission to be suitable for the reserve component, peacetime training requirements must allow sufficient lead times to enable part-time reservists to arrange absences from their full-time civilian employment. According to Air National Guard B-1 unit officials, aircrews must fly about four times per month, which can easily be scheduled around part-time reservists' civilian employment. Moreover, the B-1 has not been involved in any peacetime operations that have required frequent or unscheduled participation by reserve component personnel.

Mission Response Times

Except for the additional 24 hours reserve component units are allowed to recall unit personnel and mobilize their forces prior to deployment, there is little distinction between the kinds of wartime missions assigned to

reserve component units and their active duty counterparts. Notwithstanding the additional time that reserve component units may require to mobilize, regional combatant commands stated that current conventional threat warning times provide ample time for reserve component B-1 units to mobilize and meet the earliest planned mission response times. Should an unforeseen contingency arise with little or no warning, other active duty bomber units would continue to retain the capability to provide the first response.

Personnel Tempo

B-1 personnel have not experienced excessive peacetime personnel tempo rates—frequent and lengthy temporary duty assignments away from their home operating locations. This is due in part to the political sensitivities of other countries to the temporary overseas basing of B-1s during peacetime. Air Force data showed that B-1 personnel were on temporary duty for an average of 48 days during fiscal year 1997, much less than the Air Force's maximum desired standard of 120 days. Thus, personnel tempo rates would not preclude placing more B-1s in the reserve component.

Personnel Recruiting

The ability to recruit personnel into the reserve component is highly dependent on the location of the unit. Recruiting officials said it is not possible to recruit sufficient reserve component personnel at two of the current five B-1 locations. None of our options include placing more B-1s in the reserve component at these locations. For the three other locations, recruiting officials said that recruiting sufficient reservists was possible given adequate time and resources but that recruiting would be difficult for some of our options.

Savings Could Accrue If More B-1s Were Assigned to the Reserves

Force mix studies on active and reserve forces⁴ have traditionally asserted that it is less costly to operate a reserve component unit than an active duty unit of comparable size and mission. Indeed, the potential for savings was the primary reason cited by the Air Force for establishing reserve component B-1 units with the Kansas and Georgia Air National Guard. In its September 1994 response to the Senate Appropriations Committee's request for details on transferring bombers to the reserve component, the Air Force stated that placing bombers in the reserve component was fiscally prudent, with no anticipated loss in war-fighting capability.

⁴We examined force mix studies prepared by the Department of Defense, the U.S. Air Force, the Air Force Reserve Command, the Air National Guard, the Congressional Budget Office, and the Rand Corporation.

The force mix studies we reviewed noted that the cost to operate a reserve component unit is generally lower than for an active duty unit for several reasons. First, reserve component aircrews are more experienced than their active duty counterparts and require fewer flying hours to meet mission training requirements. Second, reserve component units employ fewer full-time military personnel than active units. Additionally, because of the part-time manning of traditional reserve component units, there are fewer requirements for permanent and costly base infrastructure—such as family housing and base medical care facilities—necessary to support full-time active duty personnel and their families.

Table 2 describes six options for assigning more B-1s to the reserves and shows the estimated savings the Air Force could achieve by implementing these options. Savings range from \$87.1 million to \$235.3 million during fiscal years 1999-2003.

Table 2: Potential Savings From Implementing B-1 Reserve Component Force Mix Options (fiscal years 1999-2003)

Dollars in millions

Option	Number of reserve component mission-coded B-1s	Percent of reserve component mission-coded B-1s	B-1 locations	Estimated savings
Air Force announced force structure plan	18	21	5	0
1 - Convert in place an existing active unit	30	36	5	\$87.1
2 - Convert in place the B-1 aircrew training unit	36	43	5	130.6
3 - Convert in place the B-1 aircrew training unit and an operational squadron	42	50	5	174.2
4 - Consolidate B-1s at two bases, one active and one reserve	54	64	2	208.6
5 - Consolidate B-1s at one active and two reserve locations	48	57	3	230.0
6 - Convert in place a base and assign B-1s to the reserve component	54	64	5	235.3

Source: GAO and Congressional Budget Office cost analyses.

By way of illustration, option 1—converting in place an existing active squadron of 12 aircraft—could produce \$87.1 million in operational savings over the 5-year period.⁵ Option 5—consolidating B-1s at one active and two reserve locations—may be more challenging to implement but could result in greater savings. For example, under option 5, the Air Force

⁵Includes direct and indirect cost savings such as fuel, maintenance, military pay, training, and medical care.

would need to convert one active duty base to a reserve component base and consolidate B-1 operations at two other existing locations, one active and one reserve. As shown in table 2, this option could save an estimated \$230 million over the 5-year period. The savings include \$217.7 million from operational savings and \$43.3 million from the elimination of B-1 military construction projects programmed at two of the bases where the B-1 would no longer be assigned. In calculating the net savings, we took into account one-time costs of about \$26 million to move an active duty C-130 unit at the converted base to another location and \$5 million to construct a squadron operations facility to accommodate an additional B-1 unit at another location.

It should be noted that the estimated \$230-million savings under option 5 and the \$208.6-million savings under option 4 do not include additional savings the Air Force expects would result from reducing the number of B-1 operating locations to less than five. According to Air Force active and reserve component logisticians, reducing the requirement to support five B-1 bases would help ease current shortages in B-1 support equipment and war reserve mobilization kit spare parts reported by B-1 operating units and reduce future expenditures for B-1 support equipment and spare parts. Moreover, converting an active base to a reserve component base could result in lower costs to operate hospital, family housing, and other facilities associated with active duty units.

Appendix I presents the potential costs and savings related to each option and the actions the Air Force would need to take to implement each option.

Recommendation

Whether the Air Force chooses among our options or develops options of its own, we believe millions of dollars could be saved without reducing mission capability by placing more B-1s in the reserve component. Therefore, we recommend that the Secretary of Defense direct the Secretary of the Air Force to prepare a plan to place more B-1s in the reserve component and seek congressional support for the plan.

As you know, 31 U.S.C. 720 requires you to submit a written statement on actions taken on this recommendation to the Senate Committee on Governmental Affairs and the House Committee on Government Reform and Oversight not later than 60 days after the date of the report and to the Senate and House Committees on Appropriations with the agency's first

request for appropriations made more than 60 days after the date of the report.

Agency Comments and Our Evaluation

In written comments on a draft of this report, DOD partially concurred with our findings. While DOD agreed that the mix of B-1s at active and reserve components needs further study, it believed that our recommendation that the Secretary of the Air Force develop a plan to place more B-1s in the reserve component is too strong without looking at war mobilization requirements and severe limitations on basing options. DOD believes it has the right mix of B-1s in the active and reserve components and stated that it has no plans at this time to move more B-1s to the reserves or to implement any of our force mix options. DOD agreed, however, to (1) use our report, along with other analyses, to develop a mission-capable, cost-effective force mix; (2) study in detail our force mix options where savings may exist; and (3) ask the Secretary of the Air Force to thoroughly review our report to determine whether it is operationally feasible and cost-effective to move more B-1s to the reserves. DOD also said that after the Air Force conducts a thorough review of the bomber force mix, the results will be incorporated into the upcoming budget cycles.

We agree that war mobilization requirements and basing options are important factors and, in fact, considered them in our analysis. Specifically, we assessed five operational factors, including mission response times, that the Air Force considers in determining whether a mission is suitable for reserve component participation. Except for the additional 24 hours reserve component units are allowed to recall unit personnel and mobilize their forces prior to deployment, there is little distinction between the kinds of wartime missions assigned to reserve component B-1 units and their active duty counterparts. Furthermore, we note that in its September 1994 response to the Senate Appropriations Committee's request for details on transferring bombers to the reserve component, the Air Force stated that placing bombers in the reserve component could be done with no anticipated loss in war-fighting capability. Because our audit revealed no operational reason to limit the number of B-1s in the reserve component to the current level, and a range of basing options is available, we continue to believe that our recommendation is sound.

DOD further expressed concern that some of our options would significantly change bases' loading patterns and that it lacks continuing base closure authority. We agree with DOD that several of our options

could result in changes to the base aircraft loading patterns. However, DOD has a range of options for moving more B-1s into the reserve component that could be accomplished within existing authority. We met with Air Combat Command civil engineering officials and were assured that the B-1 bases included in our force mix options have the capacity to accommodate additional B-1s being moved to the reserves.

Lastly, DOD stated that the Congressional Budget Office's model appears to overstate the savings for our options by excluding modernization and initial training costs. Since the entire B-1 fleet is already being modernized, the same modernization costs will be incurred whether the B-1s are in the active or reserve component. We acknowledge that the model did not capture some of the one-time costs, including initial training costs, that would be incurred. However, additional costs would be relatively small and would be recouped from the annual operational savings realized by adding B-1s to the reserve component.

DOD's comments are reprinted in their entirety in appendix II.

Scope and Methodology

We held extensive discussions with Air Force officials in Headquarters, U.S. Air Force; the Air Force Reserve Command; the Air National Guard; and the Air Combat Command and researched reports, documents, and prior studies to determine the operational factors the Air Force uses to assess the suitability of missions for the reserve component. We used these factors to develop criteria to assess the feasibility of increasing the reserve component's participation in the B-1 mission.

We visited all five B-1 bases and the Air Combat Command to assess the active and reserve component units' mission requirements and operational capabilities. We discussed force mix issues with operations, plans, and training officials. From these visits, we obtained information such as planned force structure, base capacity, recruiting potential, and military construction costs and used it to develop force mix options.

We analyzed the recruiting, response times, and cost implications for each option. Estimates of recruiting potential were developed by the Air Force Reserve and the Air National Guard. To assess how more B-1s in the reserve component would impact wartime mission response requirements, we obtained information from operational plans, unit capability requirements, and the combatant commands for the theaters in which the B-1 would be employed. To assess the potential savings from placing more


B-1s in the reserve component, we used operational cost estimates developed by the Congressional Budget Office and other costs Air Force officials provided such as for the military construction and movement of an operational unit that would be required to implement some of our options. We did not determine whether any of the options we presented would require congressional notification under 10 U.S.C. 2687, base closures and realignments. Neither did we obtain estimates of one-time personnel costs, such as severance pay for civilian employees or change of station costs for active duty personnel.

We performed our review from September 1996 to December 1997 in accordance with generally accepted government auditing standards.

We are sending copies of this report to interested congressional committees and members, the House National Guard and Reserve Caucus and the Senate National Guard Caucus, the Secretary of the Air Force, the Commander of the Air Combat Command, the Commander of the Air Force Reserve Command, the Director of the Air National Guard, the Director of the Congressional Budget Office, and the Director of the Office of Management and Budget.

Please contact me at (202) 512-3504 if you or your staff have any questions concerning this report. Major contributors to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in black ink that reads "Richard Davis". The signature is written in a cursive style with a large, stylized "R" and "D".

Richard Davis
Director, National Security
Analysis

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Abbreviations

DOD Department of Defense

Options for Assigning More B-1s to the Reserve Component

Option 1: Convert in Place an Existing Active Unit

- Convert an existing active 12-aircraft squadron at Dyess Air Force Base, Texas, to a reserve squadron at Dyess.
- No change at the other four B-1 locations.

Table I.1 shows the number of B-1s at each base under the Air Force’s announced plan and under our option 1.

Table I.1: B-1 Force Structure for Option 1

	Dyess		Ellsworth		McConnell		Mt. Home		Robins		Total	
	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC
Plan	36	0	24	0	0	10	6	0	0	8	66	18
Option 1	24	12	24	0	0	10	6	0	0	8	54	30

Legend:
AC = active component
RC = reserve component

Estimated Savings

The Congressional Budget Office estimated that this option would save \$87.1 million in operational expenses. These expenses include direct and indirect costs such as fuel, maintenance, military pay, training, and medical care.

Other Impacts

According to Air Force Reserve and Air National Guard recruiters, recruiting to implement this option is possible. These officials estimate that an additional three to eight recruiters would be needed for about 2 years to recruit the required personnel. The cost for these additional recruiters is relatively minor and was not deducted from the savings shown above.

Option 2: Convert in Place the B-1 Aircrew Training Unit

- Convert an existing active 18-aircraft aircrew training squadron at Dyess Air Force Base, Texas, to a reserve squadron at Dyess.
- No change at the other four B-1 locations.

Table I.2 shows the number of B-1s at each base under the Air Force’s announced plan and under our option 2.

Appendix I
Options for Assigning More B-1s to the
Reserve Component

Table I.2: B-1 Force Structure for Option 2

	Dyess		Ellsworth		McConnell		Mt. Home		Robins		Total	
	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC
Plan	36	0	24	0	0	10	6	0	0	8	66	18
Option 2	18	18	24	0	0	10	6	0	0	8	43	6

Estimated Savings

The Congressional Budget Office estimated that this option would save \$130.6 million in operational expenses.

Other Impacts

Air Force Reserve and Air National Guard recruiters concluded that recruiting for this option would be difficult. They estimated that an additional three to eight recruiters would be needed for about 2 years to recruit the required personnel. The cost for these additional recruiters is relatively minor and was not deducted from the savings shown above.

Option 3: Convert in
Place the B-1 Aircrew
Training Unit and an
Operational Squadron

- Convert an existing active 18-aircraft aircrew training squadron and a 6-aircraft squadron at Dyess Air Force Base, Texas, to reserve squadrons at Dyess.
- No change at the other four B-1 locations.

Table I.3 shows the number of B-1s at each base under the Air Force's announced plan and under our option 3.

Table I.3: B-1 Force Structure for Option 3

	Dyess		Ellsworth		McConnell		Mt. Home		Robins		Total	
	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC
Plan	36	0	24	0	0	10	6	0	0	8	66	18
Option 3	12	24	24	0	0	10	6	0	0	8	42	42

Estimated Savings

The Congressional Budget Office estimated this option would save \$174.2 million in operational expenses.

Other Impacts

Air Force Reserve and Air National Guard recruiters concluded that recruiting for this option would be difficult but not impossible. They estimated an additional four to eight recruiters would be needed for

2 years to recruit the required personnel. The cost for these additional recruiters is relatively minor and was not deducted from the savings shown above.

Option 4: Consolidate B-1s at Two Bases, One Active and One Reserve

- Establish a reserve component unit of 54 B-1s at Dyess Air Force Base by reducing to zero both the active duty unit of 36 B-1s at Dyess and the reserve component units of 10 and 8 B-1s at McConnell and Robins Air Force bases, respectively.
- Convert Dyess from an active to a reserve component base.
- Increase the active duty unit at Ellsworth from 24 to 30 B-1s by reducing the active duty B-1 unit at Mt. Home from 6 to zero.
- Move an active duty C-130 unit at Dyess to another (unspecified) location.

Table I.4 shows the number of B-1s at each base under the Air Force's announced plan and under our option 4.

Table I.4: B-1 Force Structure for Option 4

	Dyess		Ellsworth		McConnell		Mt. Home		Robins		Total	
	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC
Plan	36	0	24	0	0	10	6	0	0	8	66	18
Option 4	0	54	30	0	0	0	0	0	0	0	30	54

Estimated Savings and Costs

The Congressional Budget Office estimated that this option would save \$261.3 million in operational expenses. Additionally, \$43.3 million in military construction funds planned for fiscal years 1999-2003 would be saved by removing the B-1 units from Mt. Home and Robins. However, according to estimates from Air Force officials, these savings would have to be reduced by \$26 million to cover the cost of relocating the C-130 unit at Dyess and by \$70 million for military construction costs at Dyess to accommodate the additional 18 B-1s. Thus, the net potential savings are estimated at \$208.6 million.

Other Impacts

This option could produce other savings that are not shown in table I.4. For example, reducing the B-1 operating bases to two could help ease the shortages in B-1 support equipment and mobilization kit spare parts reported by B-1 operating units and reduce future expenditures for B-1 support equipment and spare parts. Converting Dyess from an active to a reserve component base could also produce an undetermined amount of

savings from reduced permanent and costly base infrastructure—such as family housing and base medical care facilities—necessary to support full-time active duty personnel and their families. Moreover, by placing additional B-1s at Dyess and Ellsworth, the Air Force could take advantage of unused capacity at those locations.

Air Force Reserve and Air National Guard recruiters concluded that recruiting for this option at Dyess would be difficult but not impossible. They estimated an additional six to eight recruiters would be needed for about 2 years to recruit the required personnel. The cost for these additional recruiters is relatively minor and was not deducted from the savings shown above.

Option 5: Consolidate B-1s at One Active and Two Reserve Locations

- Establish a reserve component unit of 38 B-1s at Dyess Air Force Base by reducing the active duty unit at Dyess from 36 to zero B-1s and adding 2 more B-1s to Dyess from Robins.¹
- Convert Dyess from an active to a reserve component base.
- Increase the active duty unit at Ellsworth from 24 to 36 B-1s by reducing the active duty unit B-1s at Mt. Home from 6 to zero and the reserve unit B-1s at Robins from the remaining 6 to zero.
- Move an active duty C-130 unit at Dyess to another (unspecified) location.
- No change to the reserve component unit at McConnell.

Table I.5 shows the number of B-1s at each base under the Air Force's announced plan and under our option 5.

Table I.5: B-1 Force Structure for Option 5

	Dyess		Ellsworth		McConnell		Mt. Home		Robins		Total	
	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC
Plan	36	0	24	0	0	10	6	0	0	8	66	18
Option 5	0	38	36	0	0	10	0	0	0	0	36	48

Estimated Savings and Costs

The Congressional Budget Office estimated that this option could save \$217.7 million in operational expenses. Additionally, \$43.3 million in military construction funds planned for fiscal years 1999-2003 could be saved by removing the B-1 units from Mt. Home and Robins. However, according to estimates from Air Force officials, these savings would have to be reduced by \$26 million to relocate the C-130 unit at Dyess and

¹The additional two B-1s were added to create a squadron-sized unit.

\$5 million to construct a squadron operations facility at Ellsworth to accommodate an additional operational unit. Therefore, net potential savings under this option are estimated at \$230 million.

Other Impacts

This option could produce savings that are not shown in table I.5. For example, reducing the requirement to support fewer than five operating bases could help ease the shortages in B-1 support equipment and mobilization kit spare parts reported by B-1 operating bases and reduce future expenditures for B-1 support equipment and spare parts. Converting Dyess from an active to a reserve component base could also produce an undetermined amount of savings from reduced permanent and costly base infrastructure—such as family housing and base medical care facilities—necessary to support full-time active duty personnel and their families. Moreover, by moving 12 additional B-1s to Ellsworth, the Air Force could take advantage of the unused capacity at Ellsworth.

Air Force Reserve and Air National Guard recruiters determined that recruiting at Dyess would be very difficult but not impossible. They estimated that an additional four to eight recruiters would be needed for at least 2 years to recruit the required personnel. The cost for these additional recruiters is relatively minor and was not deducted from the savings shown above.

Option 6: Convert in Place a Base and Assign B-1s to the Reserve Component

- Establish a reserve component unit of 36 B-1s at Dyess Air Force Base by reducing the active duty unit at Dyess from 36 to zero.
- Convert Dyess from an active to a reserve component base.
- Move an active duty C-130 unit at Dyess to another (unspecified) location.
- No change at the other four B-1 locations.

Table I.6 shows the number of B-1s at each base under the Air Force's announced plan and under our option 6.

Table I.6: B-1 Force Structure for Option 6

	Dyess		Ellsworth		McConnell		Mt. Home		Robins		Total	
	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC	AC	RC
Plan	36	0	24	0	0	10	6	0	0	8	66	18
Option 6	0	36	24	0	0	10	6	0	0	8	30	54

Estimated Savings and
Costs

The Congressional Budget Office estimated that this option would save \$261.3 million in operational expenses. However, to convert Dyess to a reserve component base, the active C-130 unit at Dyess would have to be moved at an estimated cost of \$26 million. Therefore, net potential savings under this option are estimated at \$235.3 million.

Other Impacts

Converting Dyess from an active to a reserve component base could produce an undetermined amount of savings from reduced permanent and costly base infrastructure—such as family housing and base medical care facilities—necessary to support active duty personnel and their families.

Air Force Reserve and Air National Guard recruiters assessed the recruiting for this option to be difficult but not impossible. They estimated that an additional six or more recruiters would be needed for about 2 years to recruit the required personnel. The cost for these additional recruiters is relatively minor and was not deducted from the savings shown above.

Comments From the Department of Defense



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

JAN 20 1998



Mr. Richard Davis
Director, National Security Analysis
National Security and International Affairs Division
U.S. General Accounting Office
Washington, DC 20548

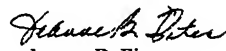
Dear Mr. Davis:

This is the Department of Defense (DoD) response to the GAO draft report "*AIR FORCE BOMBERS: Moving More B-1s to the Reserves Could Save Millions Without Reducing Mission Capability*," dated December 12, 1997 (GAO Code 701100), OSD Case 1504.

The Department carefully reviewed the draft GAO report and partially concurs. We agree that the issue should be studied; however, the recommendation to "*direct the Air Force to develop a plan to place more B-1Bs in the reserve component and seek congressional support for the plan*" is too strong. The Reserve Component/Active mix for combat coded B-1s is currently 35.3 percent. We believe this to be the right mix for now. However, the Air Force will conduct a thorough review of the bomber force mix. The results will be incorporated into the upcoming POM. We are also sensitive to infrastructure costs. Some of the options significantly change base loading patterns. The Department currently does not have continuing authority to close bases, a major limitation. Enclosed is a detailed response.

The Department appreciates your interest in Defense matters and looks forward to the final report with our comments. My point of contact is Colonel Al Nelson. He can be reached at 703-614-5133 or via e-mail at Nelsonal@pr.osd.mil.

Sincerely,


Jeanne B. Fites

Deputy Under Secretary of Defense
(Program Integration)

Enclosure
As stated



GAO DRAFT REPORT - DATED DECEMBER 12, 1997
(GAO CODE 701100) OSD CASE 1504

"AIR FORCE BOMBERS: MOVING MORE B-1S TO THE RESERVES COULD
SAVE MILLIONS WITHOUT REDUCING MISSION CAPABILITIES"

DOD COMMENTS ON THE GAO RECOMMENDATION

Recommendation: The GAO concluded that millions of dollars could be saved without reducing mission capability by placing more B-1s in the reserve component. Therefore, the GAO recommended that the Secretary of Defense direct the Secretary of the Air Force to prepare a plan to place more B-1Bs in the reserve component and seek congressional support for the plan.

DoD Response: Partially Concur. We agree that the issue needs further study. We do not agree with the recommendation that *"the Secretary of Defense direct the Secretary of the Air Force to develop a plan to put B-1Bs in the reserve component and seek congressional support for the plan."* This recommendation is too strong without looking at war mobilization requirements and severe limitations on basing options. The Department has an institutionalized process to evaluate force structure and basing. We will use the GAO study along with other analysis to develop a mission-capable, cost-effective force mix. However, we are not committed to any of the options suggested. Any change may be a combination of those options and many other considerations. Therefore, DoD will ask the Secretary of the Air Force to thoroughly review the analysis and recommendation and determine if it is operationally feasible and cost-effective to move more B-1Bs into the Reserve Component. The current Air Reserve Component (ARC)/Active mix is 35.3 percent. We believe this is the right mix for now. One important concern is the flexibility of the bomber force during the opening days of a short-warning conflict. This is extremely important. We need to evaluate which future weapons systems will be required early in such a war and how to best support the national authorities. The options relating to training missions are of interest. The ARC currently relies on the Active component funding for the bomber modernization effort, base infrastructure support, and the initial aircrew flight training. The Congressional Budget Office (CBO) "Defense Resources Model" used in the report appears to overstate the savings. It does not consider the modernization or the initial training costs when a majority of the forces shift to the ARC. However, we do acknowledge that there may be

Major Contributors to This Report

National Security and
International Affairs
Division, Washington,
D.C.

Gary K. Weeter, Assistant Director

Norfolk Field Office

George O. Morse, Evaluator-in-Charge
Leslie M. Gregor, Senior Evaluator
Suzanne K. Wren, Senior Evaluator